



ASX RELEASE (9 JULY 2019)

THC Global Southport Manufacturing Facility Licenced Most significant Manufacture Licence granted in Australia

Key Points:

- THC Global licenced to operate the largest bio-pharma extraction facility in the Southern Hemisphere
- Positioned to be one of the most competitive cannabis producers in the global export market
- Only facility in Australia capable of GMP API production at this scale
- Capability to produce pharma-grade GMP API isolates as well as full or broad spectrum medicines
- Clinical and Study Trials within Australia and Asia planned

THC Global Group Limited (THC Global or the Company) (ASX:THC) is pleased to advise that the Company's wholly owned subsidiary, THC Pharma Pty Ltd, has been granted a Manufacture Licence from the Australian Office of Drug Control for its Southport Manufacturing Facility.

Chief Executive Officer, Ken Charteris, commented:

"The Manufacture Licence we have now received is the most significant Manufacture Licence granted in Australia to date, as THC Global has the largest bio-pharma extraction facility in the Southern Hemisphere. We are ready to commence GMP API production of medicinal cannabis at globally significant volumes and at very competitive prices. We expect to be supplying Australian patients with Australian produced medicinal cannabis by early 2020, as well as responding to the rapidly expanding global demand for pharma-grade GMP API isolates and formulated medicines".

THC Global estimates that the initial annual production from the Southport Manufacturing Facility will be over 12,000kg of Good Manufacturing Practices (**GMP**) compliant Active Pharmaceutical Ingredient (**API**) isolates, or equivalent quantities of full-spectrum and broad-spectrum extracts. The Company also expects to be able to further process these extracts into finished medicines such as oils, tinctures, and capsules where necessary.

Australian-produced product from Southport is anticipated to be available for Australian clinical and study trials, as well as being exported to Asia for use in foreign clinical and study trials that the Company is in discussions to commence. The Manufacture Licence also enables the Company to further expand its product formulation and development activities to develop the next generation of medicinal cannabis products. These developments are expected to drive medium term revenue as THC Global launches these new proprietary products into the Australian and global markets.

The Company expects that it will complete product validation activities at the Southport Manufacturing Facility in Q4 2019, followed by commencement of significant revenue generating medicinal cannabis production commencing in early 2020.

Chairman, Steven Xu, commented:

"The licencing of THC Global's Southport Manufacturing Facility cements the Company's position as being primed and ready to be a significant player in the global cannabis market, particularly within the Asia Pacific region. We have been able to secure industry leading facilities including two licenced manufacturing facilities, an experienced executive team, and the technical expertise to deliver success.

"We look forward to supplying product to patients in need in Australia and globally once commercial production commences in early 2020 from our Australian cannabis production assets."



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THC Global operates under a 'Farm to Pharma' pharmaceutical model, now holding all three key cannabis licences being a Cannabis Research Licence, a Medicinal Cannabis Licence (Cultivation), and two Manufacture Licences through its domestic medicinal cannabis subsidiaries THC Pharma and Canndeo. THC Global has secured a significant cannabis growing capacity over multiple cultivation projects. and owns a licenced GMP ready high-volume bio-pharma extraction facility with attached testing and product development laboratory.

THC Global is in prime position to commence medicinal cannabis production to service both domestic patients and the global export market. THC Global is active globally with operations in Australia, New Zealand, and Canada and partnerships across Europe, Asia, and the Middle East. In addition to its core Australian medicinal cannabis assets, THC Global has a significant Canadian presence – both in cannabis and in hydroponics equipment. THC Global's Canadian cannabis operation, Vertical Canna, holds property in Nova Scotia, Canada being developed into a large scale cannabis production site. THC Global's hydroponics equipment division, Crystal Mountain, is a revenue generating manufacturer, wholesaler, and retailer of hydroponics equipment and supplies for cannabis cultivation.